



# Brownfields Cleanup Revolving Loan Fund Pilot

## *City of Somerville, MA*

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

**EPA's** Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

## BACKGROUND

Somerville, Massachusetts is an older, working-class community located just north of Boston. As the most densely populated community in New England, Somerville is faced with a limited amount of available commercial/industrial land to accommodate new development projects. Due to historic land use patterns dating back 150 years, Somerville is also faced with residential properties directly abutting commercial and industrial sites. Although the 112 recognized brownfields in Somerville are spread throughout the City, large site concentrations are found in the older industrial cores. In addition to receiving a Brownfields Assessment Pilot, Somerville is also a State Economic Target Area and has recently been selected to participate in the Groundwork USA Pilot program.

## BCRLF OBJECTIVES

Through the establishment of a BCRLF, Somerville plans to accelerate the transformation of brownfields into community assets. The City has already taken a proactive approach to local economic development by establishing a variety of tools to encourage redevelopment. The pilot anticipates that the BCRLF program will help broaden Somerville's efforts, by providing a mechanism for financing site cleanup,

## PILOT SNAPSHOT



*City of Somerville,  
Massachusetts*

**Date of Announcement:**  
May 25, 1999

**Amount:** \$500,000

**BCRLF Target Area:**  
112 recognized brownfields throughout the City, with a focus on sites located in the older industrial cores

### Contacts:

Office of Housing & Community  
Development  
(617) 625-6600

Region 1 Brownfields  
Coordinator  
(617) 918-1209

Visit the EPA Region 1 Brownfields web site at:  
**[www.epa.gov/region01/remed/brnflid/](http://www.epa.gov/region01/remed/brnflid/)**

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
**<http://www.epa.gov/brownfields/>**

something that currently does not exist in the City. The City expects that the economic reuse of brownfields sites will contribute to the commercial tax base and create new jobs.

## **FUND STRUCTURE AND OPERATIONS**

The Office of Housing and Community Development (OHCD) will serve as lead agency and fund manager. OHCD has over 20 years experience managing the Somerville Economic Development Partnership (SEDP) loan program and responsibility for overseeing large sums of Federal grants. The Massachusetts Department of Environmental Protection will assist the pilot in carrying out its site management responsibilities. The pilot expects that BCRLF applicants will seek loans ranging from \$75,000 to \$150,000 and that they will make three or four loans during the initial round of lending.

## **LEVERAGING**

OHCD plans to target borrowers that utilize either the City's SEDP revolving loan funds or Massachusetts Development Finance Agency (MDFA) funds. In addition, the City's Economic Development Incentive Program enables local projects that demonstrate significant public benefit to use tax increment financing. OHCD also has a working relationship with several area banks, through the SEDP loan program, which the pilot hopes will facilitate additional leveraging of funds. OHCD will provide in-kind services, particularly staff time, technical expertise, and the production and distribution of marketing materials.

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*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

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